

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

August 27, 2003

OFFICE OF
MANAGING DIRECTOR

Martin L. Stern, Esq.
Edward B. Krachmer, Esq.
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Ave., N.W.
Suite 500
Washington, D.C. 20006-5209

Re: PC Landing Corp., Debtor-in-Possession, Petition for Deferral
and Waiver of FY 2002 and FY 2001 Regulatory Fees
Fee Control No. 00000RROG-03-083

Dear Mr. Stern and Mr. Krachmer:

This letter responds to your request (dated March 28, 2003) submitted on behalf of PC Landing Corp., Debtor-in-Possession (PC Landing Corp.) for a deferral and waiver of fiscal year (FY) 2002 and FY 2001 regulatory fees. Our records reflect that you have not paid the \$152,627.33 FY 2002 regulatory fee or the \$38,156.83 late charge penalty for late payment of the FY 2002 regulatory fee associated with PC Landing Corp. Our records also reflect that you have not paid the \$94,500.00 FY 2001 regulatory fee or the \$23,625.00 late charge penalty for late payment of the FY 2001 regulatory fee.

In your request, you state that PC Landing Corp., a wholly-owned subsidiary of Pacific Crossing Ltd., Debtor-in-Possession (PCL), holds the U.S. cable landing license for the Pacific Crossing submarine cable system (PC-1). You state that on July 19, 2002, PC Landing Corp. and certain of its affiliates (collectively, PCL Debtors) filed voluntary petitions for Chapter 11 bankruptcy reorganization in the United States Bankruptcy Court in Delaware (Bankruptcy Court). In connection with an earlier request for relief from application filing fees for PC Landing Corp. filed with the Commission on August 7, 2002, you provided us with a copy of the petition for bankruptcy filed by PC Landing Corp. with the Bankruptcy Court. You state that at the time of the bankruptcy filing, PCL owed the bank group that financed the construction of the PC-1 system approximately \$716,000,000 and that PC Landing Corp. was financially insolvent. You state that absent access to cash collateral PCL receives from the bank group, PCL would have insufficient funds to continue its operations. You state that PCL Debtors are negotiating with several parties towards the initiation of a bankruptcy auction of PCL Debtors' assets, including PC-1. You state that PCL Debtors remain in bankruptcy and that PC Landing Corp.'s financial situation "is dire."

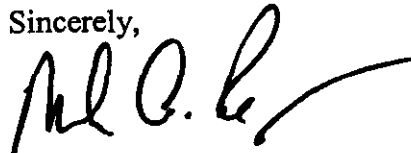
With respect to your request for a deferral and waiver of the FY 2002 regulatory fee for PC Landing Corp., the Commission has determined that it will waive regulatory fees for licensees who are bankrupt or are in receivership at the time the fees are due. *See Implementation of Section 9 of the Communications Act*, 10 FCC Rcd 12759, 12762 (1995). Accordingly, based upon the July 19, 2002 bankruptcy filings associated with PC Landing Corp., your request for waiver of the FY 2002 regulatory fee and the associated late charge penalty is granted.

With respect to your request for a deferral and waiver of the FY 2001 regulatory fee for PC Landing Corp., although PC Landing Corp. was not in bankruptcy at the time the FY 2001 fees were due, the Commission, in establishing a regulatory fee program, recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." *See Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5346 (1994), *recon. granted*, 10 FCC Rcd 12759 (1995). In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, and considers whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a station loses money, any funds paid to principals, deductions for depreciation or similar items are considered funds available to pay the fees.

You have submitted supplemental information in support of your request, which includes a copy of the 2001 profit and loss statement for PC Landing Corp. as it existed prior to filing for bankruptcy. This profit and loss statement indicates that PC Landing Corp. suffered a financial loss in 2001 without regard to any deduction for amortization and depreciation. In addition, you state that the other entries on the profit and loss statement do not represent or otherwise reflect payments to the officers or principals of PC Landing Corp. We therefore grant your request for a waiver of the FY 2001 regulatory fee.

In summary, your request for relief with respect to FY 2002 and FY 2001 is granted. If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Reger', with a long horizontal flourish extending to the right.

Mark A. Reger
Chief Financial Officer